

EARNED INCOME TAX CREDIT CHANGES

Prior Law _____

An Earned Income Tax Credit is available for Iowa Individual Income Tax. The credit is equal to 7% of the federal Earned Income Tax Credit available under section 32 of the Internal Revenue Code. Any tax credit in excess of the tax liability is refundable.

New Provisions _____

The Iowa Earned Income Tax Credit is 14% of the federal Earned Income Tax Credit for tax years beginning in the 2013 calendar year. The Iowa Earned Income Tax Credit is 15% of the federal Earned Income Tax Credit for tax years beginning on or after January 1, 2014. Any tax credit in excess of the tax liability is still refundable.

Section Amended _____

Section 70 of 2013 Iowa Acts Senate File 295 amends section 422.12B, subsection 1, Code 2013.

Effective Date _____

Retroactive to January 1, 2013, for tax years beginning on or after that date.